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COUNTRY

Thailand

DATE DISTR.

SUBJECT

Possible Cooperation of Phibul. Chunhawan and Lt. Gen. Phra Prachon Pachanuk

NO. OF PAGES

18 Sept. 1950

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with Chinese Communists on Chilical SECURITY REASONS NO. OF ENCLS.

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DATE OF INFO.

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- 1. About May 1950, Lt. Gen. Phra Prachon Pachanuk* approached an important former Free Thai with a request to borrow textbooks on the formation and tactics of an underground movement. Prachon was advised that the Free Thai did not possess such books.
- Prachon was acting under instructions from Phibul and Gen. Phin Chunhawan, 2. Commander-in-Chief of the Thai Army. These instructions directed that Prachon, in cooperation with Luen Bussuvar** Managing Director of the Bank of Ayuthia and President of the Northeast Rice Mills Association, establish an underground movement to cooperate with the Viet Minh and the Chinese Communists. The underground headquarters are now established at Nakorn Phanom (104-45, 17-25). In the establishment of the movement, Luen has contacted some of his intimate friends.
- Phibul and Phin, as part of their cooperation in the underground movement 3. are required to keep the Communists advised of the extent and nature of their collaboration with the United States and Great Britain. Meanwhile, both Phibul and Phin are depositing currency and securities in Switzerland to be used during their exile in the event conditions force their withdrawal from the political scene.
- Prachon has some Chinese blood through one of his grandfathers, Luen is a 4. Thai-born Chinese who is well-known to northeastern Thais and Laos. At present, Luen is being lavishly entertained by Bangkok Chinese merchants.

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Comment. In July 1950 Prachon was appointed to the Office of the Undersecretary of Defense.

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Comment. reports that Luen Buasuvan, a businessman from northeast Thailand, was asked by Lt. Gen. Phin Chunhawan to act as a liaison man with the Chinese Communists. Luen, according to this report was born in China and worked with Aree Livira in the Chinese underground anti-Japanese movement during World recent appointment as manager of the Bank of Aguthia, despite Luen's

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lack of banking experience. reports that Sahat Mahakun and Imen have advised Police Lt. Gen. Phao Sriyanon and Gen. Phin not to interfere with Chinese Communist newspapers in Bangkok.

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